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July 24, 2002

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston A & B Zones, SIBLEY FIELD, Webster  
Parish, Louisiana.

Dear Sir:

KELLEY OPERATING COMPANY, LTD. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston A Zone and to the Hosston B Zone in the Sibley Field, Webster Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize an additional alternate unit well for HOSS A SUJ and for HOSS B SUJ at the location shown on the attached plats, in exception to the well location provisions of Office of Conservation Order No. 148-J, effective February 1, 1972.
2. To find that the proposed additional alternate unit well is necessary to efficiently and economically drain a portion of the Hosston A and B Zones underlying HOSS A & B SUJ which cannot be efficiently and economically drained by any existing well on such units.
3. To approve the downhole combination of production from the Hosston A Zone and the Hosston B Zone in the wellbore of the proposed additional alternate unit well, and in the wellbore of any existing or future well located on these units in which the ownership interests in the Hosston A and B Zones is identical.
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston A and B Zones in Sibley Field, Webster Parish, Louisiana, were defined in Office of Conservation Order No. 148-J, effective February 1, 1972.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 4520 Jamestown Avenue, Suite 6, Baton Rouge, Louisiana 70808. Any

Honorable James H. Welsh  
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person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

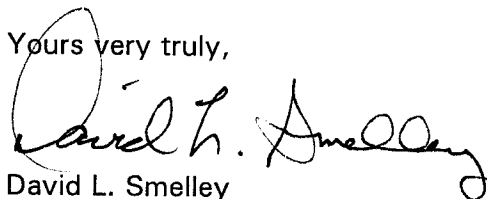
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the two (2) attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sibley Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,



David L. Smelley

-- Attorney for Kelley Operating Company, Ltd.

DLS:pk

Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Dennis Ritter (w/encls.)  
Mr. Joe Adams (w/encls.)  
Ms. Kaye Davis (w/encls.)  
Interested Owners, Represented  
Parties and Interested Parties (w/plats only)

# R 9 W

## HOSS A SU EE

# T 17 N

## HOSS A SU R

### Sibley Field

## HOSS A SU K

## HOSS A SU J





### Sibley Field

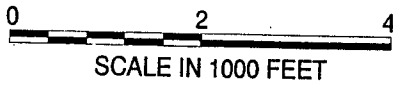
## HOSS A SU X

## HOSS A SU E

## HOSS A SU I

## HOSS A SU W

-  Unit Well
-  Proposed Alternate Unit Well
-  Approved Alternate Unit Well
-  Unit Outline



Docket No. 02-

Exhibit No.

KELLEY OPERATING COMPANY, LTD.

**Sibley Field**

Webster Parish, Louisiana

**Proposed Alternate Unit Well**

**Hosston A SU J**

Date:

Joe B. Adams Consulting Geologist

**R 9 W**

**HOSS B SU EE**

**T  
17  
N**

**HOSS B SU R**

**Sibley Field**

**HOSS B SU K**

**HOSS B SU J**





**Sibley Field**

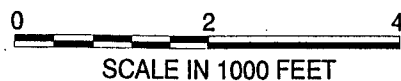
**HOSS B SU X**

**HOSS B SU E**

**HOSS B SU I**

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**Sibley Field**

Webster Parish, Louisiana

**Proposed Alternate Unit Well**

**Hosston B SU J**

Date:

Joe B. Adams Consulting Geologist